

**COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF ENERGY & ECONOMIC AFFAIRS
DIVISION OF ENERGY RESOURCES**

**MASSACHUSETTS
RENEWABLE ENERGY PORTFOLIO STANDARD**

**Adjustment of the
Alternative Compliance Payment (ACP) Rate
for Compliance Year 2008**

January 22, 2008

The Massachusetts Renewable Energy Portfolio Standard (RPS) regulations at 225 CMR 14.08(3)(a)2, provide that the Division of Energy Resources “shall publish the ACP Rate by January 31st of the Compliance Year. The ACP Rate shall be equal to the previous year's ACP Rate adjusted up or down according to the previous year's Consumer Price Index.” Compliance Year is defined in the regulations as a calendar year.

The ACP Rate for Compliance Year 2003 was established in the regulations at \$50.00 per MWh, and each subsequent year has been adjusted according to the Consumer Price Index as shown in the table below.

The Consumer Price Index (CPI)¹ for 2007 is 220.512, up from 215.0 in 2006, an increase of 2.56%.² Accordingly, the ACP Rate for Compliance Year 2008 has been determined to be \$58.58 per MWh.³

Year	CPI	ACP Rate
2002	188.2	n.a.
2003	193.5	\$50.00
2004	200.2	\$51.41
2005	207.5	\$53.19
2006	215.0	\$55.13
2007	220.512	\$57.12
2008		\$58.58

¹ For this purpose, the DOER is using the “Consumer Price Index - All Urban Consumers, Northeast Region All Items, Not Seasonally Adjusted.” Source: U.S. Bureau of Labor Statistics, on-line via <http://data.bls.gov/cgi-bin/surveymost?cu>. Note that the annual CPI is presented there to the third decimal place for 2007, compared with only one in previous years.

² Calculated thus: $(220.512 / 215.0) - 1 = 2.56\%$.

³ Calculated thus: $\$57.12 \times 1.0256 = \58.58 .